(e) what is the status of SMEs sector in Orissa and what is the action plan of the Centre to further develop this?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (c) In the Foreign Trade Policy for the period 2004-09, the Government spelt out a bold vision to increase India's exports and to focus on the generation of additional employment in the process. It is expected that the export target of US $ 150 billion for 2009 will be achieved comfortably. Data available for the period April-January 2006-07 shows that exports increased by US $ 99 billion over the same period last year. It is expected that total exports will exceed US $ 120 billion during the current financial year.

(d) and (e) To facilitate the development of Micro, Small and Medium Enterprises (MSMEs), and to enhance their competitiveness, the Government has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, which has come into force *w.e.f.* 2 October 2006. In addition, a number of initiatives have also been taken in the Foreign Trade Policy (2004-09) for the development of small and medium enterprises by way of rewarding exports from these sectors particularly under Vishesh Krishi & Gram Udyog Yojana, Focus Product Scheme, Focus Market Scheme, etc. The schemes and programmes envisaged by the Government of India are on national basis and apply uniformally to all the States and U.Ts including the State of Orissa.

Mashelkar Report on patentability

1663. SHRI MAHENDRA MOHAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Mashelkar report on patentability pointed out that our current law is not TRIPS compatible, because it does not allow incremental innovation and, therefore, the current patent law is limited and allows patents only for new chemical entities (NCEs);

(b) if so, whether the Committee has further pointed out that excluding micro organisms *per se* from patent protection would be violative of the TRIPS agreement;

(c) if so, the details thereof; and

(d) whether excluding micro organism *per se* from patent protection would be violative of the TRIPS agreement; if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) to (d) A Technical Expert Group under the Chairmanship of Dr. R.A. Mashelkar, Director General, Council of Scientific and Industrial Research was set up to examine the following two patent law issues:

(i) whether it would be TRIPS (Agreement on Trade Related Aspects of Intellectual Property Rights) compatible to limit the grant of patent for pharmaceutical substance to new chemical entity or to new medical entity involving one or more inventive steps; and

(ii) whether it would be TRIPS compatible to exclude micro-organisms from patenting.

The Technical Expert Group has submitted its Report to the Government on 29.12.2006. The main recommendations of the Committee are as under:

(i) "it would not be TRIPS compliant to limit granting of patents for pharmaceutical substance to New Chemical Entities only. However, every effort must be made to provide drugs at affordable prices to the people of India. Further, every effort should be made to prevent the grant of frivolous patents and 'ever-greening'. Detailed Guidelines should be formulated and rigorously used by the Indian Patent Office for examining the patent applications in the pharmaceutical sector so that the remotest possibility of granting frivolous patents is eliminated."

(ii) "Excluding micro-organisms *per se* from patent protection would be violative of TRIPS Agreement."

The Chairman of the Group requested the Government for approval to "withdraw the Report, re-examine it and resubmit a Report, which meets with the requirements of the highest standards." He also stated that "it will take the TEG three months to resubmit the Report from the time, the TEG is given time to re-examine the Report." The Government has agreed to allow the TEG to remove the "technical inaccuracies" in the Report.